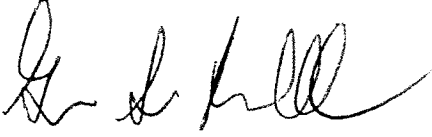


**COUNTY OF SANTA BARABARA
PLANNING AND DEVELOPMENT**

MEMORANDUM

TO: Board of Supervisors
FROM: Glenn S. Russell, Ph.D., Director 
DATE: September 12, 2017
HEARING DATE: October 3, 2017
RE: Short-Term Rental Ordinance Board Letter

On October 3, 2017, your Board will be considering the proposed Short-Term Rental (STR) Ordinance amendments based on direction given at the June 6, 2017 Board hearing.

After staff docketed the Board letter for the administrative agenda on September 19, 2017, a typographic error in the section regarding Transient Occupancy Tax was found. Please see below for the correction to the text (shown in red text).

Transient Occupancy Tax. The proposed ordinances will only allow STRs in certain commercial and mixed use zones, and within the STR Coastal Historic Overlay district. If the proposed STR Ordinances are adopted, it is difficult to estimate how many new STRs will be established in the zones where they will be permitted. It is also difficult to estimate how many STRs are currently operating, or will be operating, as Homestays.

However, Tax Collector data regarding the issuance of TOT Certificates may provide some indication of the fiscal impacts associated with the adoption of the STR Ordinances. Staff reviewed the TOT Certificates issued during Fiscal Year 2015-2016, in order to estimate how much TOT revenue might be lost under the proposed STR Ordinances.

As shown in the table below, the Tax Collector issued 535 TOT Certificates, collecting approximately \$1,669,809 in taxes, of which: (1) 29 (5.42%) are located in zones where STRs would continue to be allowed; and (2) 506 (94.57%) are located in zones where STRs would be prohibited. Assuming that these STRs ceased and could not be permitted as Homestays, it would result in the loss of approximately ~~\$1,641,423~~ \$1,579,296 in TOT revenue.

Fiscal Year 2015-2016 TOT Certificates and Revenue

	TOT Certificates for STRs in Certain Commercial, Mixed Use, and Proposed STR-CH Overlay Zone Districts	TOT Certificates for STRs in Zones Where STRs would be Prohibited
Number of TOT Certificates	29 (5.42%)	506 (94.57%)
TOT Revenue	\$90,513	\$1,579,296